



Panel will study how to create land bank

City-county task force to seek \$1 million grant

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The San Diego City-County Reinvestment Task Force yesterday unanimously agreed to form a study group to consider how best to establish a land bank to purchase foreclosed properties for preservation as affordable housing.

The panel also agreed to support a staff proposal to seek a \$1 million grant to help fund the envisioned land bank. The grant is being sought from Living Cities, a nonprofit group, in partnership with the Local Initiatives Support Corp., which helps community-based groups revitalize distressed areas.

No decision to go forward with the project or to use public funds will be made before the study group's recommendations are carefully considered, said San Diego City Councilman Tony Young, co-chairman of the task force.

Young questioned whether public funds should be used for a land bank, which could be created in partnership with other public bodies, such as redevelopment agencies or housing commissions.

"We need to really think this out," Young said. "We want to be careful in obligating public funds."

Task force member Robert Adelizzi, a retired banker, said nothing would happen without further study. "We're just at the idea stage," he said.

In addition to creating affordable-housing opportunities, a goal of the task force is to prevent the blight that can occur when vacant foreclosed homes remain on the market too long.

The panel also is searching for a way to prevent speculators and absentee landlords from acquiring foreclosed homes. Such buyers often delay maintenance, renting out investment houses until the time is right to sell, critics say.

Home-loan failures in San Diego County continued to climb in January, setting records for foreclosures and notices of default, the first step in reclaiming mortgaged properties.

The number of January foreclosures in the county was 1,305, up 32 percent from the previous month and up nearly 257 percent from January 2007. Notices of default in January totaled 3,109, up 21 percent from December and up 145 percent from one year earlier.

The DataQuick Information Systems research firm found a narrowing gap between foreclosures and home sales. It reported 1,826 sales of new and resale homes in the county last month, compared with the 1,305 foreclosures. In January 2007, there were 2,772 home sales and 366 foreclosures.

Dan Kildee, treasurer of Genesee County, Mich., attended yesterday's meeting at San Diego City Hall to encourage the task force to explore the land bank proposal.

A Genesee County land bank was formed in 2002 to deal with a glut of vacant, tax-delinquent homes and has been touted as a national model for reducing blight caused by foreclosures.

Kildee said it was essential to seek public input every step of the way when creating a land bank. The task force should establish clear goals and determine where it would make land purchases within the county, he added.

"Any movement in this direction requires a very public process," Kildee said.

Historically, land banks have been able to acquire properties by leveraging public liens to gain control at little or no cost. The Genesee County land bank acquires liens on tax-delinquent properties from local governments, then forecloses on the liens, Kildee said.

Creating a land bank here would be much more costly, officials say.

In San Diego County, failing mortgages have created an excess of foreclosed bank-owned properties, many with substantial value. The proposed land bank would be required to negotiate with lenders and other title holders. As proposed, the land bank would acquire houses and condos costing \$400,000 or less.

The reinvestment task force, an advisory panel to the city and the county, is charged with increasing financing for affordable housing and economic development in low-and moderate-income communities.